

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 242390

14

ORIGIN AGR-08

INFO OCT-01 NEA-10 ISO-00 CIAE-00 COME-00 EB-07 INR-07

LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01 FRB-03

OMB-01 L-03 /051 R

66612

DRAFTED BY: FAS/COT/FCA: WDAVIS:JES

APPROVED BY: EB/ICD/FTD: JWILLIAMS

FAS/COT: JHSTEVENSON-AGRIC

OAA/FCA: BKMEEKER-AGRIC

AA: TRFREEMAN-AGRIC

FMD: DWILLIAMS-AGRIC

AGRIC: ERBEVIS

----- 075784

R 102126Z OCT 75

FM SECSTATE WASHDC

TO AMEMBASSY CAIRO

LIMITED OFFICIAL USE STATE 242390

E.O. 11652: N/A

TAGS: EAGR, EG

SUBJECT: EGYPTIAN COTTON PRICES

REF: A. CAIRO 9538 AND B. CAIRO 9553

STATE

1. USDA/FAS SEES 1975/76 EGYPTIAN COTTON EXPORT PRICE REDUCTIONS AS CONSISTENT WITH EARLIER WORLD PRICE MOVEMENTS BUT VIEW NON-PRICE FACTORS AS CURRENTLY THE MOST IMPORTANT INFLUENCE ON THE LEVEL AND TIMING OF EGYPTIAN 1975/76 EXPORTS.

2. USSR AND EASTERN EUROPE HAVE BEEN TAKING ABOUT 45 PERCENT OF
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 242390

EGYPTIAN COTTON EXPORTS AND ARE EVEN MORE IMPORTANT AS A MARKET

FOR ELS. PRC ACCOUNTS FOR ADDITIONAL 5 PERCENT. WE PRESUME THERE-
FORE PRICE IS NOT THE MAJOR FACTOR IN HALF EGYPT'S COTTON EXPORTS.
EXPORTS TO THESE COUNTRIES SEEM TO BE DECLINING SOMEWHAT.

3. IN IMPORTANT MARKET ECONOMIES, TEXTILE SITUATION IS NOT BRIGHT.
UNTIL AND UNLESS DEMAND PICKS UP, PRICE DOES NOT APPEAR THE
CRITICAL FACTOR. WEST EUROPEAN COUNTRIES TAKE 20 TO 25 PERCENT OF
EGYPTIAN EXPORTS. TEXTILE INDUSTRIES IN THESE COUNTRIES CONTINUE IN
DEPRESSED SITUATION. PRESENT ASSESSMENT FORESEES LITTLE IMPROVEMENT
DURING 1975/76. OUTLOOK FOR JAPAN, ACCOUNTING FOR 10 TO 15
PERCENT OF EGYPT'S EXPORTS, IS ONLY SLIGHTLY BETTER. THEIR STOCKS
OF ELS ARE NOT KNOWN BUT TOTAL STOCKS ARE HIGH AND THEY PURCHASED
UNUSUALLY LARGE AMOUNTS FROM EGYPT DURING 1973/74. INDIA, ABOUT
10 PERCENT OF EGYPTIAN EXPORTS, CURRENTLY HAS SURPLUS OF
DOMESTICALLY-PRODUCED FINER COTTONS AND IS EXPORTING LONG STAPLE
COTTON FOR THE FIRST TIME.

4. SUDAN HAS AMPLE EXPORT AVAILABILITIES. SUDAN AND EGYPT
PRESUMABLY CONSULT ON EXPORT PRICES. SUDAN'S REACTION TO EGYPTIAN
PRICE CUT NOT YET KNOWN.

5. FYI ONLY, FAS'S AUGUST 1, 1975, JULY 31, 1976, FORECAST FOR
EGYPTIAN EXPORTS I 850,000 BALES (480 LBS. NET) COMPARED WITH
840,000 BALES ESTIMATED FOR A YEAR EARLIER. END FYI. EMBASSY
COMMENTS ON THIS FORECAST AS THE SEASON PROGRESSES REQUESTED.
ALSO REQUESTED IS AN ANALYSIS OF NEW EXPORT PRICE IMPLICATIONS
TO PRODUCER PRICES. SPECIFICALLY, DO THEY IMPLY EXPORT SUBSIDIES
AND ARE AREA REDUCTIONS LIKELY IN 1976?
KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, TEXTILES, COTTON, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 10 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE242390
Document Source: CORE
Document Unique ID: 00
Drafter: FAS/COT/FCA: WDAVIS:JES
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750354-0546
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751064/aaaacfgy.tel
Line Count: 90
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN AGR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 CAIRO 9538
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 30 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 JUL 2003 by ElyME>; APPROVED <29 DEC 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EGYPTIAN COTTON PRICES
TAGS: EAGR, EG
To: CAIRO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006